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Review of Local Government Rating System
Independent, Pricing and Regulatory Tribunal
PO Box K35
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Dear Madam/Sir

Submission on draft report – Review of the Local Government Rating System

I wish to make a submission in relation to draft report of August 2016 titled Review of the Local Government Rating System.

Overall, the proposals in the report and recommendations are sound, and represent a welcome update to the current legislative provisions relating to local government. Further review and amendments should however, be made to the report to recognise the consequences and implications of the proposals.

It can be anticipated that there will be long term land use and economic and social development consequences arising from the proposals. Potential spatial and environmental consequences of the proposed rating changes should be identified before any changes are made, with a view to ensuring that unintended detrimental consequences of a change to the system do not occur.

The following specific matters should be considered before the proposals are finalised:

1. The key tax principle of 'sustainability' should be extended to include ecologically sustainable development, and nationally agreed principles for this should be recognised. The final report should include amendments to incorporate ecological sustainability.

2. An Environmental Land category is sensible, although guidance should be given as to how and when this will be applied. Such a category should apply where native vegetation is retained and it must link to relevant native vegetation and natural resource mapping and land clearing controls. It may also need to apply to protection of land for water and air quality purposes. This category should apply to parts of most rural properties in NSW, and therefore the definition of how this should be applied is very important, and must be consistent with land use planning, catchment management and native vegetation legislation.
3. Consideration should be given to providing opportunities for local government rate exemptions for Environmental Land where this results in positive public benefits such as protecting biodiversity, water quality and flow, and carbon sequestration.
4. Rating categorisation should also be able to take into account level of service. For example, some remote rural locations (eg >40 km from the nearest town) have a lower level of services such as roads, waste disposal and other facilities and should be entitled to pay lower rates. They also have lower development potential, and there needs to be a direct link between land use planning controls, development expectations and local government rates.

I look forward to the preparation of a final report incorporating the matters identified above.

Thank you for the opportunity to make a submission.

Yours sincerely

M Fallding
Principal, Land & Environment Planning

22 August 2016